Probe by Company Law Board

2284. SHRI S.S. AHLUWALIA: Will the Minister of COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that, responding to complaints received from Indian Financial Institutions (IFIs)/Banks of frauds and siphoning off funds by borrower companies, the Company Law Board (CLB) ordered probe into several companies;

(b) if so, the details of the complainants lodged by lender IFIs/Banks to the CLB during the last five years;

(c) the details of their respective borrower companies facing CLB probe;

(d) the details of interim measures ordered/taken, if any, to restrain the accused companies from accessing fund from alternative sources, including the capital market;

(e) if so, the details thereof; and

(f) if not, the reasons therefor?

THE MINISTER OF COMPANY AFFAIRS (SHRI PREM CHAND GUPTA): (a) to (c) Yes, Sir. M/s Industrial Finance Corporation of India Ltd. filed three petitions in 2003 with the Company Law Board under section 237(b) of the Companies Act in C.P. Nos. 53/2003, 54/2003 and 55/2003, against M/s Usha India Ltd., M/s Malvika Steels Ltd., and M/s Koshika Telecom Ltd. alleging siphoning off borrowed funds in a fradulent manner by the above companies and their directors and praying for orders for investigation into the affairs of these companies under the Companies Act, 1956. Company Law Board (CLB) vide its order dated 22.3.2004, ordered investigation by the Central Government under section 237(b) of the Companies Act, 1956 into the affairs of the above companies.

(d) and (e) On the basis of the orders of the CLB referred to above, investigation into the affairs of the above mentioned companies was carried out following Central Government orders dated 18.5.2005, appointing officials drawn from the Serious Fraud Investigation Office (SFIO) as inspectors for the purpose. The relevant investigation Reports have since been received and sanctions for prosecution under various

provisions of Companies Act and Indian Penal Code accorded. SFIO has also filed complaint petitions in the matter before the appropriate courts.

In addition, the copies of the Investigation Reports have been forwarded by the Ministry of Company Affairs to the Reserve Bank of India, Department of Banking, Ministry of Finance, Central Board of Direct Taxes, Central Board of Excise & Custom and the Institute of Indian Chartered Accountants of India for appropriate regulatory action by the above institutions.

(f) Does not arise.

Take-over of Hindustan Protein Limited by M/s PepsiCo Holdings

2285. SHRI KAMAL AKHTAR: Will the Minister of COMPANY AFFAIRS be pleased to state:

(a) what is the present status of Hindustan Protein Limited;

(b) whether it is a fact that the Hindustan Protein Limited was taken over by M/s PepsiCo Holdings;

(c) if so, whether all the shareholders in Hindustan Protein Limited have been allotted shares in the new company; and

(d) if not, by when all the share holders will get the shares of new company?

THE MINISTER OF COMPANY AFFAIRS (SHRI PREM CHAND GUPTA): (a) to (d) As per record, there is no company registered with the name of M/s. Hindustan Protein Limited or M/s PepsiCo Holdings. However, there is a company with the name of M/s. PepsiCo India Holdings Private Limited which is registered with the Office of Registrar of Companies, Delhi & Haryana. It is a subsidiary of M/s. PepsiCo Pinimax Inc., Mauritius. As per records maintained in respect of M/s. PepsiCo India Holdings Private Limited in the office of Registrar of Companies, Delhi & Haryana, no company with the name M/s. Hindustan Protein Limited has been taken over by M/s. PepsiCo India Holdings Private Limited.